

# THE HISTORY OF BANKS

*The historical saga of the battle between interest-charging and non-interest-charging banking empires, is one you will not read in the history books today!*

## Part 3

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by Richard Kelly Hoskins  
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For many years the private bankers did most of the business for merchants and kings—practically all of which was interest-free. Problems could and did arise in a private banker's dealings with kings. If the king politely requested a private banker to make a loan to him, the private banker did—or came under his displeasure. The problem was compounded if the king rode off to war and got himself killed. In these cases the debt was seldom paid and the private banker was ruined. On other occasions the private bankers might allow good merchant customers to borrow from him to cement their relationship. If the merchant wasn't able to repay, the banker was in trouble. During one forty-two year period following the expulsion of the Jews from England and France, the following Italian banks were ruined for lack of specie to honour their obligations:

1304 - Francosi  
1312 - Macci  
1315 - Frescobaldi  
1320 - Cherchi Bianchi  
1343 - Peruzzi  
1345 - Acciaiuoli  
1346 - Bardi

The banking houses of Bardi and Peruzzi of Florence failed when Richard III of England went bankrupt following the 100 Years War with France. Wooden tallies (see article in previous issue of NEXUS) were fine at home, but gold was needed for foreign wars. Kings and their governments could make wooden tallies, but they couldn't make gold. They ruined many private bankers by their forced loans to obtain it.

The existence of the non-usurious (non-interest-charging) private banks was further endangered by the arrival of Marano usury (interest-charging) bankers from Spain starting in 1492. These people quickly made alliances with local rulers desperate for cash. Soon the combined activities of ruler preference and usurers siphoning off the floating money supply put most of the private bankers and many of the merchants out of business. It also brought on depression and unemployment.

The failure of a bank was a serious event. The repercussions went far beyond the individuals involved. Trade treaties between cities and countries could be jeopardised, and entire manufacturing industries shut down if the financing of the operations ceased.

To prevent powerful merchants and princes and newly arrived usury bankers from putting undue pressure on private banks, the cities of Europe took over the banking business by establishing municipal banks.

### The Municipal Bank of Amsterdam

The most famous of the city-run banks was the great Bank of Amsterdam. This interest-free bank was established in 1609. Since half of Europe's commerce was carried in Dutch ships, Amsterdam had need of such a bank. This was the largest and wealthiest bank in the world.

Its main purpose was to facilitate and expedite trade. It did not make loans for its own account. If a captain had a ship's cargo and no crew, he might come to the Bank of Amsterdam. The Bank might locate investors who would be willing to invest the needed money to hire a crew for 20% of the profits of the voyage.

If a captain needed a cargo, he might lease his ship to bank investors for the length of his expected voyage and hire himself on as captain with a bonus of 15% of the profits. The bank got a moderate fee for arranging these deals. If the ship was lost at sea—like the other such contracts—it was insured.

Chests of gold would come in the front door of the bank in the morning and leave by the rear door that evening. Gold was considered a commodity to be traded. It could be

stored for future use, or it could be used for the backing for gold deposit receipts. Municipal banks were large, powerful, efficient operations. Their advent pushed private banks into the background for a time.

### The Middle Ages

The four centuries lasting from the 1200s through the 1500s is a most misunderstood period. The 'establishment', with reason, wishes to portray the period as being one of poverty, tyranny, dirt, and backwardness.

Such was hardly the case. The greatest display of a nation's wealth, cathedrals, were built all over Germany, France and England during that period. The 'skilled' labour was mostly volunteer. Thorold Rogers, Professor at Oxford University in the middle of the last century wrote: "At that time a labourer could provide all the necessities for his family for a year by working 14 weeks." The rest of the time was his to do as he pleased. Many parts of Europe were so prosperous during the 14th century that hundreds of communities averaged between 160 to 180 holidays a year. Some laboured for themselves; some studied; some fished; others volunteered their labour to build these massive structures. Lord Leverhume, writing at the same time, said: "The men of the 15th century were very well paid."

While today one may find a few score visitors at one of the great cathedrals, Cobbett in his *History Of The Reformation* states that our ancestors had the wealth and leisure for 100,000 pilgrims at a time to visit Canterbury and other shrines. This from a land that contained 1/10 today's population.

This same William Cobbett recorded in his *Rural Rides* that when he viewed Winchester Cathedral he said: "That building was made when there were no poor rates; when every labouring man in England was clothed in good woollen cloth; and when all had plenty of meat and bread..."

This was an age peopled mostly by those who had repented. Most neither took usury nor gave it. There was no pressure of 'due bills'. As a consequence the lands were with material and spiritual wealth. The municipal banks, the creation of the people, fought usury banks tooth and nail. It was not until the advent of Napoleon, the hatchet man of the usury bankers, that municipal banks were shut down permanently.

## RETURN OF USURY TO THE WEST

### The Maranos

The Saracens conquered Spain as they had Sicily. They conquered the Jews who lived there among the Christians. These Jewish captives easily adopted the religion of their conquerors and became honoured and respected members of the Mohammedan community and married freely into their ranks.

The Arabs pushed on over the Pyrenees mountains into France where they fought a large Christian army at Tours. They lost this hard-fought battle and were forced back into Spain.

The Spanish Christians had not surrendered when the Mohammedans swept through Spain, but waged a holy war against the infidels from strongholds left to them in the mountains. These wars lasted for centuries.

Over the years the Spanish Christians gradually beat the Mohammedans back and re-conquered the land of Spain. Again,

as in the case of Sicily, many of the Saracens and Jews remained. This again presented the Christian rulers with the problem of the conquered aliens.

To keep their industries and estates provided with workers, efforts were made to 'convert' these aliens into Samaritans and bring them into the Christian community.

About 250,000 of these Jews who had lately been Mohammedans easily switched their faith to Jesus. These new converts were called Maranos. In time all restrictions were removed from these new converts and they were accepted into the Christian congregation of God with open arms.

In spite of holy and canon law, some Maranos married into grandee families, the highest families socially in Spain. The Catholic Church had long had restrictions against such things. The 2nd Council of Orléans in 533 AD, Clermont in 535 AD, and Orléans in 538 AD all prohibited intermarriage of Jews and Christians. Violators were excommunicated (*Concil. Aurel. ii, can. 19; Mansi, viii 838, can. 13; Mansi, ix 15*).

Many of these new converts became priests. Some even became bishops and archbishops. The law forbidding such things was forgotten.

From 1449 on the Maranos took over 'high society' and finance. Some were confidants of the king. The Maranos became powerful and arrogant. They owned and ran Spain. They also became indiscreet by letting it be known that they were not really

Christians. The King formed the Inquisition to investigate the matter. Their findings came like a thunderbolt. The Maranos were holding Jewish religious services while pretending to be Christians. This had been going on for generations. The reports had been true.<sup>1</sup>

Based on the 'prohibition' of bastards (mixed-breeds) the Spanish at long last attempted to right matters by instituting the *limpieza de sangre* test, or test for 'purity of blood'.

The Jews were considered 'bastards' for two reasons. First, they could not pass the 'blush test' since they were kinsmen to the dark-skinned Turko-Finns who had immigrated into Spain from southern

Russia over the prior five centuries. Next, they had interbred extensively with their former Mohammedan rulers, another group closely affiliated with, and kin to, these same Turko-Finns.

The Spanish test *limpieza de sangre* to determine who was a mixed-breed and who wasn't was easily administered. It was merely a form of 'blush test'. One simply raised one's sleeve where there was no sunburn and if the blue veins were visible it meant that one was a 'blue blood'. If you were a 'blue blood', you were neither a Marano, Moresco, nor other mixed breed. This was all there was to the world-renowned test of 'blue blood'.

In 1492 the Maranos were expelled from Spain. Many went to Arab countries and became violent anti-Christians. Some went to Spanish and Portuguese possessions in the New World. Others went to Holland where, according to the *Universal Jewish Encyclopaedia*, p. 433, "The return of the Maranos to Judaism in a free Holland signified the casting off of the oppressive shackles..." (meaning Christianity). Still others went to England where they pretended to be Spanish-Christians. An Englishman didn't know the difference.

The history of the Mohammedans closely parallels that of the Jewish Maranos. Presented with the option of conversion, expulsion or death, many naturally chose conversion. The Jewish Maranos were expelled in 1492 and the Mohammedan Morescos

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were expelled in 1502. By 1510 Spanish authorities reported to the Pope that all 'strangers' had been expelled from Christian Spain.

This myth was exploded with the Moresco Revolts that devastated Granada between 1568 and 1570.<sup>2</sup> Spanish landowners wanted to keep Mohammedan labourers to work their lands. Consequently, it was only a question of time before the mixed descendants of Christians and Mohammedans formed a 'Samaritan' population that worked its way into the government and church. They changed the outlook of the land, the church, and the complexion of Spain's population.

The 'Christians' of southern Spain 'did it their way'. As in the case of Sicily and southern Italy, much of Spain was lost to her Christian conquerors and much of the population resembled their kinsmen to the east—the Saracens.

### Killing of the Kings

In 1647, Oliver Cromwell was fighting a civil war in England and needed guns and supplies. To get them, he borrowed money at interest—and England was right back into it again.

Cromwell contacted Jewish moneylenders in the Netherlands who were willing to make loans. There were two conditions. The first was that Jews be allowed into England. This was agreeable to Cromwell. The second condition was more delicate. The loan must be guaranteed. If large loans were made to Cromwell's government and King Charles II came back to the throne, the loans would be repudiated in an instant. The lenders would lose their money. In other words, as long as Charles lived, no loans could safely be made.

Copies of letters are in existence recommending that Charles be given a chance to escape. His recapture would turn public opinion against him and would provide an excuse for his trial and execution.<sup>3</sup> This is in fact what happened. An opportunity was presented to Charles. He tried to escape, was recaptured, tried, and beheaded—regicide, the killing of the king.

This is one of the earlier incidents in Western history of loan guarantees being insured by the murder of a ruler, although the practice was common in the ancient world. Regicide is an integral part of the usury contract and is found wherever the contract itself is found. The list grows long as the years go by.

Louis XVI of France was done away with in precisely the same manner 150 years later. Like Charles II of England, he had been deposed as ruler. The real power lay in the revolutionary government which had borrowed from the international bankers and was servant to them. In spite of this, however, no big loans could be made to this government as long as the king was alive and could possibly nullify them at a later date. Louis was given a chance to escape. He was given a large conspicuous coach too heavy for his horses to pull rapidly, which would attract attention. There were two elegantly dressed gentlemen riding in advance, displaying gold coins to a hungry population. All this in time of revolution. Louis almost reached the border before he was captured. It made good copy for the newspapers. Returned under guard, he and his queen were condemned to die. They died well. The loans to the new revolutionary government were safe. Regicide!

Napoleon Bonaparte was defeated and sent into exile. While he was gone from France, Jacob Rothschild negotiated large loans for the Bourbon<sup>4</sup> who had replaced him as the ruler of France. Napoleon returned to France and was defeated again at Waterloo.

A near thing for the safety of the loans. Once more he was exiled on a more distant isle. He died. A great monument was built in Paris for his body. A few hairs of his head were taken and

analysed.<sup>5</sup> They contained traces of arsenic. Napoleon had been poisoned so that he would never return and repudiate the loans made to the new government.

During the War Between The States, France tried to get her foot in the American door by sending Maximilian to Mexico as king. Mexico was the economic territory of the American north-east banking cabal. This new king of Mexico was very popular with the Mexicans. In spite of this, when he was captured by the rebels he was not imprisoned or ransomed and sent home; he was shot. He would never return to repudiate any of the loans made to Mexico's new rebel rulers.

There was a hue and cry in the newspapers of the north-east banking interests to execute the president of the vanquished Confederate States of America. For two years he was kept in a dark, wet, cold cell in the side of an earthen bank in Fortress Monroe. He was an ill, broken man when put there. He should have died and was expected to die. When it was apparent that there was no way the ravished and occupied South (which was ruled by blacks) could ever revolt, he was released. As a precaution, laws were passed preventing him from ever holding office.

Other laws were passed preventing white men from voting in the South. These laws were enforced by an occupying army. There was no way that the ex-president or the citizens he had represented could return to power to repudiate carpet-bagger loans. Jefferson Davis was one of the fortunate few. He remained alive in spite of the nearly successful effort made to kill him.

Nicholas II was Tzar of Russia. The communists took over. The lenders in New York made loans to the new communist government. To prevent him or any of his family from regaining the throne and repudiating the loans, the entire family was shot, even the little children.

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The loans were secure.

Adolph Hitler was ruler of Germany. Germany lost the war. Hitler knew he was earmarked for a 'showcase trial' and so he killed himself. *Ex post facto* trials were held for all the rest of the members of his government who might be looked on as his heirs. They were liquidated with few exceptions. Even the idealist, Rudolph Hess, who tried to end the war between Christian nations by flying to England, was locked away permanently in Spandau Prison by mutual consent of the victorious lenders. Occupying armies keep watch over the sanctity of the loans. The puppet government of today's Germany owes its existence to the occupying armies and leaves Hess in prison without a word of protest. The post-war German loans were guaranteed at Nuremberg. There is no one left alive who can rock the usury boat. Mussolini, the Italian leader, was executed for the same reason.

The real rulers of Japan were the military leaders. They were executed and the army and navy banned to keep any other military figure from arising to renounce the post-war loans.

Vietnam had a ruler. His name was Ngo Dinh Diem. American newspapers say that the Americans had him executed. He will never return from the grave to repudiate the loans made to the Vietnamese—North or South.

Loan guarantees to nations involve regicide. There is little doubt that the recent assassinations and attempted assassinations of rulers here in America and elsewhere are connected with loan guarantees. The evidence will come to light in future years. It almost always does. Seldom do things happen by accident where usury is involved.

### Cromwell's Loans

Charles I was beheaded 9th January 1649. Cromwell held meetings to discuss readmission of the Jews. Immediately a distinctly hostile spirit emerged among the Christian merchants and clergy who united in opposition. To prevent an adverse vote, Cromwell dismissed the Council.

To change public opinion, Manasseh ben Israel, a large book publisher and a leader of the Holland Jewish community, published a book, *Hope of Israel*, in 1650. This book was given wide publicity among the 'fundamentalists' of the time—the Puritans.

This book advocated the entry of the Jews into England because it was said the Messiah could not come until the Jews were in ALL lands. England, it was maintained, was the only country which did not contain Jews. If the Jews were admitted, the Messiah might be expected.<sup>6</sup>

The Puritans bought this story. Still, the larger part of the population of England was still against the admittance of the Jews. Cromwell took it upon himself to allow entry of the Jews quietly. He got his loans. By 1655 there were a considerable number of Maranos in England, secret Jews posing as Spanish Catholics.

In 1655 England went to war with Spain. The Jews posing as Spanish Christians had to openly declare themselves Jews in order to avoid confiscation. This was also the year in which Charles II of England entered into negotiations with these same Amsterdam Jews against Cromwell to secure financing for his return. In 1655 and 1656 a horde of Jewish refugees from the Polish Ukraine arrived in Holland, putting further pressure on Manasseh ben Israel to force England open to immigration.

In 1660 Charles II came to the throne. In addition to the loans which he had contracted with the Amsterdam Jews, he borrowed heavily from the local goldsmiths. In 1672 he repudiated the loans to the local goldsmiths, causing a general suspension of specie

payment. Charles was disliked.

Some time about 1684, William III of Orange obtained a loan of two million gulden from Antonio Lopez Suasso<sup>7</sup>, an Amsterdam Jew. This aided the Dutchman to capture the English throne in 1688. The Jews again had an English ruler who was obligated to them. This was the third in a row.

Between 1700 and 1750 the Jews, working their usury system in England, increased their capital from 1.5 million to over 5 million pounds.<sup>8</sup> In 1870 the University Test Act allowed Jews to enter English universities. In 1890 complete equality was granted to Jews in England. It had taken a long, long time. ∞

### REFERENCES

1. "We have discovered thousands of 'underground Jews' in Portugal—descendants of medieval Portuguese Jews who...converted to Roman Catholicism in the 15th century while secretly believing and practising Orthodox Judaism. In Majorca, a Spanish island to the east of the mainland, there are an estimated 30,000 descendants of the medieval Spanish Jewry who have not been assimilated into the general Catholic population, although the Majorcan Maranos are formally Catholic." *The Jewish Voice*, Dec. 1983, p. 10, Phoenix AZ 85001.
2. *Encyclopaedia Britannica*, 14th ed., Spain, p. 133.
3. "Will grant financial aid as soon as Charles removed... Charles should be given an opportunity to escape. His recapture will then make trial an execution possible. The support will be liberal but useless to discuss terms until trial commences." Letter by E. Pratt to Oliver Cromwell, in David Astle, *Babylonian Woe*, p. 118, Harmony Printing Ltd, Toronto, 1975.
4. *Encyclopaedia Britannica*, Rothschild, 14th ed., p. 574.
5. Ben Weider and David Hapgood, *The Murder of Napoleon*, Congdon & Lattes, Inc., NY, 1982.
6. *Jewish Encyclopaedia*, England, p. 169.
7. *Ibid.*
8. *Ibid.*